

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 05002 181256Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 /030 W
-----099258 181258Z /45

R 180955Z JUL 77
FM AMEMBASSY JIDDA
TO USDOC WASHDC
INFO SECSTATE WASHDC 8967
AMEMBASSY ATHENS
AMEMBASSY KUWAIT
USLO RIYADH
AMCONSUL DHAHRAN

UNCLAS JIDDA 5002

E.O. 11652: N/A
TAGS: EINV, BTIO, SA
SUBJ: MAJOR SAUDI FIRM SEEKS JOINT VENTURE OR SPONSORSHIP OF
U.S. MANAGEMENT CONSULTING ENGINEERS

1. MR. PEDRIC REA, (U.S. NATIONAL) DIRECTOR OF THE OLAYAN
SAUDI HOLDING CO., P.O. BOX 967, RIYADH, TELS: 66644,
67714, TELEX 67019 OLAYAN SJ (AL KHOBAR) VISITED THE EMBASSY
TO REQUEST CONTACT WITH U.S. ENGINEERING AND MANAGEMENT
FIRMS FOR INVOLVEMENT IN PROJECTS VALUED AT OVER \$1 BILLION
OVER THE NEXT DECADE. MR. REA PREFERSS THAT U.S. FIRMS
CONTACTED SHOULD NOT HAVE CURRENT SAUDI CONNECTIONS OTHER
THAN INDEPENDENT WORK WITH THE U.S. CORPS OF ENGINEERS IN
SAUDI ARABIA. FIRST CLASS FIRMS ONLY ARE DESIRED.

2. THE SCOPE OF ACTIVITIES TO BE COVERED IN A JOINT VENTURE
UNDER ANY NEGOTIATED ARRANGEMENT ARE MAINTENANCE OF
TRANSPORT EQUIPMENT, WASTE DISPOSAL SYSTEMS, FACILITIES
MANAGEMENT, AND GENERAL MAINTENANCE OF PLANT AND EQUIP-
MENT. THE U.S. FIRM, OR FIRMS. WILL BE EXPECTED TO
ESTABLISH SCHEDULES AND PREPARE TRAINING SPORTS PROGRAMS,
PHYSICAL TRANING, PORT OPERATION, PORT CLEARING AND
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MANPOWER REQUIREMENTS.

3. THE SAUDI FIRM IS PREPARED TO STUDY OFFERS FROM A
CONSORTIUM OF U.S. FIRMS IN THESE FIELDS. INTERESTED
U.S. FIRMS SHOULD CONTACT MR. REA DIRECTLY. THE OLAYAN
GROUP INCLUDES THE GENERAL TRANSPORTATION ENTERPRISES,
ALSO ESTABLISHED IN KUWAIT, THE GENERAL TRADING COMPANY

OF AL KHOBAR WHICH HAD SALES OF \$25 MILLION IN 1976,
AND THE GENERAL CONTRACTING COMPANY WITH SALES OF \$70
MILLION IN 1976. THE LETTER HAS ROAD MAINTENANCE CON-
TRACTS AND IS FORMING AN ELECTRICAL CONTRACTING DIVI-
SION WITH LORD INTERNATIONAL INC., AN AMERICAN FIRM.
THE GROUP HAD SALES OF \$125 MILLION IN 1976 AND IS
EXPANDING CONTRACTING ACTIVITIES RAPIDLY, IT IS
POSSIBLY THE THIRD LARGEST FIRM IN SAUDI ARABIA AND
HAS AN INTERNATIONAL CHARACTER BASED ON FOREIGN
HOLDINGS, PARTNERSHIPS AND JOINT VENTURES, AMONG ITS
TRADE REFERENCES ARE KINBERLY CLARK, INTERNATIONAL
HARVESTER, GENERAL FOODS CORP., ATLAS COPCO.
CUMMINS DIESEL, AND OTHERS.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANAGEMENT, JOINT VENTURES, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA05002
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770254-1197
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770748/aaaabpda.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f6e3356a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1832393
Secure: OPEN
Status: NATIVE
Subject: MAJOR SAUDI FIRM SEEKS JOINT VENTURE OR SPONSORSHIP OF U.S. MANAGEMENT CONSULTING ENGINEERS
TAGS: EINV, BTIO, SA, US
To: COM
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/f6e3356a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009